

Message Text

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ACTION SS-15

INFO OCT-01 NEA-10 ISO-00 A-01 FBOE-00 SSO-00 L-03 DODE-00

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O 041346Z AUG 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 5496

UNCLAS JIDDA 5382

FOR DEPUTY UNDER SECRETARY EAGLEBURGER AND

ASSISTANT SECRETARY THOMAS FROM AMBASSADOR PORTER

E.O. 11652: N/A

TAGS: AFSP, ABLD, SA, US

SUBJECT: EMBASSY LEASED HOUSES -- RIYADH

1. WE ARE FACED WITH URGENT SITUATION WITH OUR TWO VILLAS (OFFICE AND HOUSE) IN RIYADH. CURRENT TWO-YEAR CONTRACT EXPIRES AUGUST 6 AND OWNER HAS ANNOUNCED INTENTION OF RE-OCCUPYING PROPERTY DESPITE OUR STATED INTENTION TO EXERCISE RIGHT OF RENEWAL FOR ONE ADDITIONAL YEAR. WHILE WE HAD DETERMINED PREVIOUSLY TO FIGHT SUCH SITUATION IN COURT, FIRST CASE, ON AUGUST 1 ON ANOTHER VILLA IN RIYADH RESULTED IN COURT'S VOIDING LEASE AND ISSUING 5-10 DAY EVICTION NOTICE. USG WAS GIVEN NO CHANCE TO PRESENT ITS LEGAL POSITION. I NEED IMMEDIATE AUTHORITY TO APPROACH LANDLORD TO RENEGOTIATE FOR CONTINUED OCCUPANCY EMBASSY VILLAS RIYADH.

2. THIS QUESTION IS PART OF MUCH BIGGER ISSUE IN KINGDOM WHERE LANDLORDS ARE ATTEMPTING EXTORT HIGHER RENTS. UNDER SAUDI LAW OWNER CAN TERMINATE LEASE AT END OF INITIAL PERIOD IF HE INTENDS RE-OCCUPY HOUSE FOR PERSONAL USE. COMMON PRACTICE IS TO FILE STATEMENT TO THAT EFFECT IN COURT; COURT VOIDS LEASE AND ISSUES EVICTION NOTICE TO TENANTS; OWNER THEN ANNOUNCES WILLINGNESS TO NEGOTIATE

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NEW LEASE AT A HIGHER RENT. ENTIRE USG PRESENCE IN SAUDI

ARABIA IS FACING SAME CRISIS AS INFLATION FORCES RENTS HIGHER AND HIGHER. WE CANNOT STAND FOR THIS BLATANT DISREGARD FOR VALID LEASES AND INTEND TO RAISE THIS MATTER AT HIGHEST LEVELS TO ENLIST THEIR SUPPORT.

3. I AM, HOWEVER, FACED WITH URGENT PROBLEM IN RIYADH. CORPS OF ENGINEERS (COE) LEASES TWO VILLAS FOR OUR USE - ONE FOR EMBASSY AND USIS OFFICES IN RIYADH AND SECOND FOR EMBASSY LIAISON OFFICER RESIDENCE. LANDLORD FILED INTENTION IN COURT TO RE-OCCUPY VILLAS FOR OWN USE. WE NOTIFIED HIM OF OUR INTENTION RENEW LEASE FOR ONE YEAR AS PROVIDED IN LEASE. THOUGH OWNER EXPRESSED DESIRE NEGOTIATE WITH COE FOR NEW LEASE (READ HIGHER RENT), WE REFUSED AND DECIDED TEST OUR LEGAL POSITION IN COURT.

4. COE HAD EXACT COURT CASE AUGUST 1 WITH DIFFERENT VILLA. IN THAT CASE LANDLORD HAD MADE SAME CLAIM THAT HE NEEDED VILLA FOR OWN USE. COE WAS SUMMONED BY THE OFFICE OF THE DIRECTOR GENERAL OF RIGHTS AND INFORMED THAT SHARIA COURT HAD ALREADY ISSUED DECISION TO EFFECT THAT OWNER HAD DEMONSTRATED HIS NEED FOR VILLA. RIGHTS OFFICE SHOWED COE COURT DECISION AND EMIR'S INSTRUCTIONS TO CARRY OUT COURT ORDER. ACCORDINGLY, RIGHTS OFFICE ISSUED 5-10 DAY EVICTION ORDER. COE NEVER INFORMED CASE COMING TO COURT AND NEVER GIVEN OPPORTUNITY TO PRESENT ITS LEGAL CASE. COE'S LAWYER AND THEIR LEGAL ADVISOR BOTH EXPECT SAME PROCESS WITH RESULTING EVICTION NOTICE ON TWO EMBASSY OCCUPIED VILLAS. IN CASE CITED ABOVE, COE LAWYER HAS NOW BEEN AUTHORIZED TO NEGOTIATE NEW LEASE (HIGHER RENT) WITH OWNER AND STRONGLY RECOMMENDS WE DO SAME FOR OUR VILLAS.

5. I REALIZE THIS EXTRAORDINARY REQUEST, BUT CONTINUED USE OF TWO VILLAS IN RIYADH IS CRITICAL TO OUR EFFORTS EXPAND OFFICIAL PRESENCE IN THE CAPITAL. WE HAVE ALREADY MOVED EMBASSY OFFICES THREE TIMES, AND FOURTH MOVE WOULD COME JUST AS PRESENCE AND LOCATION OF OFFICE BECOMING WELL KNOWN IN RIYADH AND JUST AFTER NEW LIAISON OFFICER AND FAMILY HAVE GOTTEN SETTLED. LOCATING NEW SPACE MAY TAKE MONTHS DURING WHICH IT WOULD BE DIFFICULT, IF NOT IMPOSSIBLE, TO CARRY ON IMPORTANT EMBASSY WORK IN RIYADH. FYI, LANDLORD UNCLASSIFIED

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HAS INDICATED HE WILLING SIGN NEW LEASE DIRECTLY WITH EMBASSY (NOT THROUGH COE) FOR APPROXIMATELY 80,000SR FOR EACH VILLA. CURRENT LEASE IS 40,000SR EACH; CURRENT MARKET RATE FOR SIMILAR VILLAS IS 120,000SR. NEGOTIATING NEW LEASE DIRECTLY WITH OWNER CAN, THEREFORE, SAVE US MONEY IN ADDITION TO ENORMOUS INCONVENIENCE.

6. PLEASE AUTHORIZE ME, IMMEDIATELY, TO NEGOTIATE

DIRECTLY WITH LANDLORD FOR NEW LEASE ON TWO VILLAS CURRENTLY BEING USED BY EMBASSY AND USIS IN RIYADH.
PORTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA05382
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760300-0426
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760888/aaaaczro.tel
Line Count: 118
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 15 MAR 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Mar-2001 by hughesjp>; APPROVED <28 JAN 2005 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY LEASED HOUSES -- RIYADH
TAGS: AFSP, ABLD, SA, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006